

9b REFERRAL FROM CABINET: 15 DECEMBER 2020 – INVESTMENT STRATEGY (CAPITAL AND TREASURY) MID-YEAR REVIEW 2020/21

RECOMMENDED TO COUNCIL:

- (1) That the position of Treasury Management activity as at the end of September 2020 be noted.

REASONS FOR DECISIONS:

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded;
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

The Chair referred Members to the referral from the Finance, Audit and Risk Committee, which supported the recommendations contained in the report.

The Executive Member for Finance and IT presented the report entitled Investment Strategy (Capital and Treasury) Mid-Year Review 2020/21 together with the following appendices:

- Appendix A - Capital Programme Detail including Funding 2020/21 Onwards;
- Appendix B - Treasury Management Update.

He informed Members that:

- Paragraph 8.4, Table 2 listed the schemes in the 2020/21 Capital Programme that would start or continue in 2021/22:
- As part of the spending review, there had been an announcement relating to borrowing from the Public Works Loan Board which was the 'go-to' place for borrowing for Local Authorities;
- Rates had decreased on that borrowing although conditions had been imposed that stated that the Council were not able to borrow from the Public Works Loan Board if spending was primarily to generate income;
- Interest rates on investments had declined;
- A review was being undertaken to consider how to maximise return on investments.

Councillor Ian Albert proposed, Councillor Martin Stears-Handscomb seconded and it was:

RESOLVED:

- (1) That the forecast expenditure of £3.937million in 2020/21 on the capital programme, paragraph 8.3 refers be noted:
- (2) That the adjustments to the capital programme for 2020/21 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2021/22 by £7.022million be approved;

- (3) That the position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability be noted.

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NB: The report considered by Cabinet at the meeting held on 15 December 2020 can be viewed at Minute 74 here:

<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CIId=133&MIId=2404&Ver=4>